

SOUTHERN MILLS, INC. (d/b/a TenCate Protective Fabrics) TERMS OF SALE

CREDIT TERMS:

- The credit terms and any applicable cash discounts will be stated on the Southern Mills invoice. In the event that these credit terms differ from those specified on Purchaser's order, the terms as stated on the Southern Mills invoice will decide the terms of sale.
- A line of credit amount will be assigned to this customer account by Southern Mills. Southern Mills will disclose this line of credit amount to an authorized representative of the customer, upon written request. Southern Mills reserves the right to change this line of credit amount at any time.
- In the event that Purchaser fails to fulfill the terms of payment or in case Southern Mills shall have any doubt at any time as to Purchaser's ability to meet his obligations, Southern Mills may decline to make further deliveries - except upon receipt of cash or satisfactory security.
- Southern Mills reserves the right to charge Purchaser for interest (at 18% per annum) on past due accounts.
- Southern Mills reserves the right to charge Purchaser \$30.00 for any check returned N.S.F. to Southern Mills.
- Southern Mills does not allow discounts for payments in advance of due dates except as specifically described in the terms stated on the invoice.
- In the event of default, Purchaser agrees to pay attorney's fees and other costs incurred in collection.
- All Payments by check on account should be sent to: **Southern Mills, Inc., P.O. Box 198453, Atlanta, GA 30384-8453**
- Wire transfer or ACH instructions will be provided on request.
- All payments should be accompanied by the appropriate reference to specific invoices paid. If the invoice reference is absent, Southern Mills will apply the payment amount to the oldest invoices outstanding.

SALES TAX COMPLIANCE:

- Purchaser is either purchasing product for resale or is authorized as a direct pay taxpayer by the state to which use (sales) tax is applicable.
- In the event that the Purchaser is purchasing product for resale, the Purchaser agrees to furnish the resale certification required by the state of the Purchaser's principal office. In the event that Seller's products are shipped to a location outside of the state of the Purchaser's principal office, Purchaser agrees to furnish Seller with the resale certificate required by the state to which the products are delivered.
- In order for the Purchaser to purchase Seller's products for its own consumption, Purchaser must be authorized by the applicable state as a "Direct Pay Taxpayer." Purchaser acknowledges that it assumes all responsibility to pay the required use (sales) tax to the appropriate tax authority. The Purchaser further agrees to furnish Seller with evidence that it has been authorized as a direct pay taxpayer by the applicable state.
- In the event that the Purchaser is unable to perform any of the above obligations relative to sales tax compliance, Purchaser shall (at the request of Seller) reimburse Seller for all use (sales) taxes, interest charges and penalties which Seller is required to pay to any state of local government as a result of this sale.

PASSAGE OF TITLE:

- Title of material passes to Purchaser upon delivery of said material in good condition. Unless otherwise stated on this order, the delivery to Purchaser occurs, and Seller's liability as to delivery ceases, when, at the Purchaser's option, said material is (1) loaded on a for hire carrier for delivery to Purchaser, the carrier acting as Purchaser's agent; or (2) picked up by Purchaser at Seller's shipping point; or (3) deposited by Seller at Purchaser's receiving point. Purchaser assumes full responsibility for the goods upon delivery to Purchaser's truck at the Southern Mills site, including responsibility for proper transportation and security of the goods for safe transportation.

WARRANTIES:

- Except as stated in separate documents furnished by Seller, Seller makes no warranty of any kind, express or implied, including no warranty of fitness for a particular purpose except that the goods sold hereunder shall be a merchantable quality; and Purchaser assumes all risk and liabilities for results obtained by the use of the material covered by this order, whether used singly or in combination with other products.

CLAIMS:

- No claim of any kind, whether as to goods delivered or for nondelivery of goods, shall be greater in amount than the purchase price of the goods in respect of which such damages are claimed; and failure to give notice of claim within ninety days from date of delivery shall constitute a waiver by Purchaser of all claims in respect of such goods.
- No charges or expenses incident to any claims will be allowed unless approved by an authorized representative of Seller. Goods shall not be returned to Seller without Seller's permission. No claims will be allowed after the goods have been treated or processed in any manner.
- The remedy hereby provided shall be the exclusive and sole remedy of Purchaser; any right of Purchaser to consequential damages is excluded.
- Any defective Southern Mills product may be returned for credit after the issue of a return goods authorization by your Southern Mills sales representative.

EXPORT CONTROLS AND FCPA:

- No sale, resale, export, reexport, retransfer or other transactions contrary to U.S. law, including without limitation, the U.S. Export Administration Regulations, the U.S. International Traffic in Arms Regulations, U.S. economic sanctions regulations administered by the U.S. Treasury Department, and the U.S. Foreign Corrupt Practices Act.

TIME OF DELIVERY:

- Any portion of a Purchaser's order not taken by Purchaser in the month originally specified, may be postponed or cancelled at Seller's option, without tender or notice to the Purchaser. Such postponement or cancellation shall not affect any remaining portion of the order.
- Partial deliveries shall be accepted by Purchaser and paid for at contract prices and terms. Delay in delivering samples or other sample requirements shall not constitute a breach of this agreement. Delivery or tender of delivery of any installment within fifteen (15) days after the time specified therefor shall be deemed timely delivery. Thereafter, shipment or tender of delivery prior to receipt of written cancellation shall constitute good delivery. Unless otherwise agreed by Seller in writing, all shipments are EXW Seller's facility, including backorder shipments.
- No liability shall result from delay in performance or non-performance of this agreement, directly or indirectly caused by fire, explosion, accidents, flood, labor trouble or shortage, war, act of or authorized by any government, inability to obtain suitable material, equipment fuel, power of transportation, or act of God or arising from contingencies, happenings or causes beyond the control of the party affected. Quantities so affected by any such circumstances may be eliminated without liability, but this agreement shall otherwise remain unaffected.

TRANSFER OF ORDER:

- The order is not assignable or transferable by Purchaser, in whole or in part, except with the written consent of Seller.

FREIGHT:

- Freight allowances for returned shipments are subject to the advance approval of the Seller.
- Seller's general conditions of sale are for freight to be billed on a collect basis to Purchaser. In the event that Seller agrees to prepay freight to Purchaser and bill the Purchaser for freight, Seller reserves the right to select the freight carrier.

BILL AND HOLD:

- Legal title to all bill and hold goods transfers from Seller to Purchaser at the time that Seller delivers to Purchaser an invoice or other payment order for such goods (including delivery of any electronic invoice or payment order by email, EDI or other electronic transmission).

SECURITY INTEREST IN GOODS HELD BY PURCHASER:

- All goods at any time in possession, custody or control of Seller or any parent, subsidiary or affiliate company of Seller held for Purchaser or any other Purchaser or customer of Seller, including without limitation goods on bill and hold (whether paid for or not) shall secure Seller for all unpaid invoices or charges relating to such goods and shall also secure Seller for, and may in Seller's option be set-off against, any and all obligations of Purchaser or such other Purchaser or customer of Seller. Purchaser agrees that any act on its part either to sell, hypothecate or otherwise dispose of any interest in such goods or to buy or acquire any other interest in any such goods without in each case receiving Seller's written release, shall constitute a violation of, and an interference with, Seller's security interest in such goods. The provisions of this clause shall survive performance by the parties of all other terms contained herein.

PURCHASER'S TRADE NAMES:

- When any goods sold hereunder bear a particular label, trademark, or trade name, affixed at the request of Purchaser, it is the understanding of the parties that Purchaser warrants that he has the right to use said label, trademark or trade name, and that he hereby indemnifies and holds harmless Seller against any loss, damage or claims by any third person with respect thereto.

CLAIM WAIVER:

- No waiver by either party of any default shall be deemed a waiver of any subsequent default.

SEVERABILITY:

- If any of these terms is or becomes, at any time and under any law, rule or regulation, unenforceable or invalid, no other of these terms shall be affected thereby.

ARBITRATION/VENUE/JURISDICTION:

- All claims, disputes and other matters in question arising out of, or relating to, this agreement shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, unless the parties mutually agree otherwise. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award granted by the arbitrator shall be final.
- In the event that both parties mutually agree to resort to litigation, Purchaser agrees that this agreement and purchases made pursuant to it shall be governed by the laws of Georgia and further agrees that venue for litigation concerning this Agreement or any default in payment for goods supplied to Purchaser by Southern Mills will be in Atlanta, Georgia, U.S.A.

CUSTOMER ACKNOWLEDGMENT:

- Purchaser acknowledges understanding of the above terms of sale and agrees that such terms will be automatically included in all orders hereafter placed by Purchaser with Southern Mills until such terms are expressly changed by the parties. These terms can only be revoked by written notice and any such revocation would only apply to obligations incurred after receipt of revocation.